

**Before The**  
**ILLINOIS COMMERCE COMMISSION**  
**Springfield/Chicago, Illinois**

ILLINOIS COMMERCE COMMISSION  
OCT 18 10 47 AM '00  
CHIEF CLERK'S OFFICE

Application for a Certificate of Local	)	Docket No. 00-0517
Authority to Operate as a Reseller and	)	
Facilities-based Carrier of Telecommunications	)	
Services throughout the State of Illinois	)	

To the Commission:

Testimony of  
  
Ann Shah  
  
Vice President, Operations

Introductory Questions

Q: Please state your name and address for the record.

A: Ann Shah, 20875 Crossroads Circle, Waukesha, Wisconsin 53186.

Q: What is your position with Affinity Corporation?

A: I am Vice President of Operations for Affinity Corporation.

Q: What is the structure of Affinity Corporation?

A: Affinity Corporation is a Wisconsin corporation.

Q: Please describe your duties for Affinity Corporation.

A: As Vice President of Operations, I am responsible for the day to day strategic development of Affinity's Customer Solutions Department. This department is responsible for customer switching and provisioning, billing, and complaints.

Q: Please provide a brief background of your experience.

A: I have worked in the telecommunications industry for nineteen years and with Affinity since 1992. My previous experience includes stints with AT&T, Pacific Bell, and MCI.

#### Corporate Questions

Q: Is Affinity Corporation already authorized to provide telephone service in Illinois?

A: Yes.

Q: How long has Affinity Corporation been in business?

A: Affinity Corporation has been a long distance provider since 1990.

Q: Has your company provided service under any other name?

A: Yes. Affinity began operating under the name Affinity Fund until 1994. Partially to avoid any confusion as to the corporation's business, the name Affinity Corporation was adopted.

Q: How many people does the company employ?

A: Affinity employs 31 people.

Q: Does Affinity have offices in Illinois and will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

A: Affinity does not maintain offices in Illinois and requests a waiver to maintain its records at its headquarters in Waukesha, Wisconsin. Affinity will maintain its records in accordance with Illinois rules and regulations in all other respects including all required periods of retention.

Q: Why has Affinity filed this application?

A: Affinity Corporation seeks to provide a choice in local phone service to residents of Illinois. Affinity Corporation will provide a bundled service offering "one-stop shopping" for local and long distance services as well as other offerings such as Internet access.

Q: What services does Affinity propose to offer within the State of Illinois?

A: All those available for resale from its underlying carriers. Primarily, we will be selling local services for residential and business use. We intend to canvass our existing long distance and Internet service customers first, determine their existing local service needs, and then tailor our resold services to meet those needs. At the outset, we will focus on the more simple service applications. This will help us to become even more familiar to the new imperatives of local services, to transition customers on a more user-friendly basis, and will help with quality control. We are aware of the many "horror stories" that can and have occurred when a shift is made by a local service customer from the incumbent carrier to a resale carrier. We hope, by better planning and increased sensitivity to the importance of the process at the start, that we will be able to iron out the

rough spots quickly and fashion a truly efficient and responsive system of local service conversion.

Q: Do you believe that your principal managerial and technical personnel have the qualifications and technical ability necessary to provide the proposed intrastate resale services?

A: Yes I do. Affinity has been a telecommunications carrier for almost ten years and has competent and experienced management personnel in all areas of Affinity's telecommunications operations.

Q: What is the status of Affinity's negotiations with the local exchange companies?

A: Initially, Affinity will resell the services of the facilities-based competitive local exchange carrier McLeod USA and Global Crossing. Later, negotiations with SBC and Verizon will be commenced.

Q: Is Affinity authorized to sell its telecommunications services in any other states?

A: Yes, Affinity is authorized in all states and the District of Columbia to sell long distance services. Affinity currently provides long distance service to 21,726 customers nationwide.

Q: Does Affinity have applications pending in any other states?

A: Yes. Affinity will be filing a similar application with the Minnesota Public Service Commission soon, to be followed with applications in Arizona, California, Kansas, and Florida.

#### Customer Service Questions

Q: How will Affinity provide directory listing and telephone maintenance to its customers?

A: Affinity will contract with its underlying carriers or the incumbent LEC to ensure that Affinity's customers are included in local telephone directories. As for maintenance, Affinity will arrange for a local services maintenance agreement with local telephone companies or private phone installers to do moves, adds, and changes that Affinity's local service underlying carrier is unable to handle or is unable to handle promptly.

Q: Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

A: Yes.

Q: Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

A: Yes.

Q: How will Affinity handle billing and customer complaints?

A: We have an experienced, full-service Customer Solutions department capable of handling billing and customer complaints. Affinity will bill on a monthly basis providing a detailed, clearly understandable summation of charges for local, long distance, and Internet services. Affinity will immediately respond to service complaints using a trained customer service team. If it is a non-technical complaint and Affinity is unable to resolve the customer's problem, Affinity will advise the customer of their right to contact the Illinois Commerce Commission. If agreement cannot be reached as to how to resolve a complaint and retain a customer, Affinity will offer to assist the customer transfer to a new carrier with no penalties and often with a credit against any outstanding charges. For technical or maintenance complaints, Affinity will contract with the underlying carrier

local phone company or independent contractors as required. We will provide service response within the same time intervals as does the incumbent in whose service territory we are reselling.

Q: What are Affinity's procedures to prevent slamming?

A: Affinity obtains a Letter of Authorization signed by the customer prior to accepting an order for service. Affinity will comply with all Illinois and federal rules and regulations concerning the switching of carriers.

Q: Has Affinity been fined for "slamming?"

A: No.

Q: Has Affinity been fined for "cramming?"

A: No.

Q: Has Affinity ever had a certificate to provide telecommunications services revoked?

A: No.

Q: Has Affinity ever been fined for any regulatory infractions?

A: No.

Q: Is Affinity currently under investigation by the FCC or any state agencies?

A: No.

Q: How will Affinity solicit its customers?

A: Initially, Affinity will contact its existing long distance and Internet access subscriber base and offer bundled services. Then Affinity will utilize various advertising methods in its target markets, primarily via print and other media.

Q: Will Affinity offer any prepaid services?

A: No.

## Financial Questions

Q: Does Affinity have the financial qualifications to operate as a carrier in Illinois?

A: Yes. Because Affinity only intends to resell services initially, operations will not immediately be capital intensive. Therefore, Affinity does not have a need for a large amount of additional capital to add Illinois local services to its offerings. Affinity does have good banking relationships should an unexpected need for financing ever arise. Affinity has very experienced management to direct operations and fully expects its Illinois operations to be profitable within a year.

Q: What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

A: Affinity is a small, competitive carrier and diligently maintains its accounting records in accordance with Generally Accepted Accounting Principles (GAAP) and all other proper accounting conventions. It would be unnecessarily burdensome both in time and money to require a small carrier to follow a system like USOA which is much more appropriately applied to large incumbent carriers.

Q: If a waiver of Part 710 is granted, will applicant provide annual audited statements or all periods subsequent to granting of the waiver?

A: Yes.

Q: Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

A: Yes.

Q: Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

A: Yes.

Q: Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

A: Yes.

Q: Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

A: Applicants' accounting procedures will, at a minimum, maintain uniformity in substantive results as among similar telecommunications carriers.

Q: Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes? Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns?

A: Yes. Applicant already complies with Illinois taxes relating to telecommunications services. Affinity will make any necessary changes to remain in compliance.

Q: Please attach a copy of applicant's chart of accounts.

A: The chart of accounts is attached to this testimony as Exhibit 1.

#### Illinois Universal Access Questions

Q: Will you sign and return the membership forms for the Universal Telephone Assistance Corporation and the Illinois Telecommunications Access Corporation?

A: Yes.



Q: Will you solicit, collect, and remit the contributions to the Universal Telephone Access Corporation?

A: Yes.

Q: Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?

A: Yes.

Q: Does your company plan on filing to become an Eligible Telecommunications Carrier?

A: No.

Q: Does the company realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier?

A: Yes.

Q: Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?

A: Yes.

Q: Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755, "Telecommunications Access for Persons with Disabilities," 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service," and Sections 13-703 of the Illinois Public Utilities Act?

A: Yes.

Q: Will the company's billing system be able to distinguish between resale and facilities based service for the collection of the ITAC line charge?

A: Yes.

Q: Has your company signed and return the Universal Telephone Assistance Corporation ("UTAC") and the Illinois Telecommunications Access Corporation ("ITAC") to Commission staff?

A: Yes.

#### 911 Questions

Q: Will you coordinate with the incumbent LECs and 911 systems to make them aware that you are operating as a CLEC?

A: Yes.

Q: Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

A: Yes.

Q: Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

A: Yes.

Q: Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

A: Yes.

Q: Who will be responsible for building and maintaining the 911 database for your local exchange customers?

A: In my capacity as Vice President, Operations I will be responsible for ensuring coordination between our customer service department and management information systems staff in maintaining the 911 database.

- Q: How often will your company update the 911 database with customer information?
- A: The database will be constructed so that new customers entered into Affinity's customer service system will automatically be inputted into our 911 database.
- Q: Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?
- A: Yes.
- Q: Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?
- A: Affinity will create these procedures before providing local service in Illinois.
- Q: Will your company's proposal require any network changes to any of the 911 systems?
- A: No.
- Q: Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b)?
- A: Yes. Affinity requests a waiver of Part 725.500(o) and 725.620(b). Affinity is a small carrier and will work with its wholesale provider or contract with the incumbent LEC for all 911 functionalities including call boxes and disaster procedures.

### Conclusion

- Q: Are you familiar with the application that Affinity submitted to this Commission?
- A: Yes I am.
- Q: Do you ratify and confirm the statements and representations made in that application?
- A: Yes I do.
- Q: Does this then conclude your testimony, at this time?
- A: Yes.

Q. Will you remain available for any additional questions the Commission or its staff may have.

A. Yes.

**AFFIDAVIT**

State of Wisconsin )

)

County of Waukesha )

Ann Shah, being duly sworn, deposes and says: that she is the Vice President of Operations for Affinity Corporation; that she has read the foregoing Pre-filed Testimony and knows the contents thereof, and that the same is true of her knowledge except as to the matters therein stated upon information and belief; and as to those matters she believes them to be true; and that she consents to the Pre-filed Testimony being used as evidence in this proceeding.

Ann M. Shah

Ann Shah

Vice President of Operations, Affinity Corporation

Subscribed and sworn to before this 11 day of October, 2000.

Patricia J. Simon

Notary Public

My Commission expires: January 18, 2004